CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

JANUARY 19, 2010

INVOCATION:
Rev. Herbert Burch of Grace Lutheran Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Orach led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Director of Community Development Appel, Acting Fire Chief Jones, Director of Utilities Sweet, Director of Public Works/City Engineer Whitehead, Acting Director of Administrative Services Harvey, Director of Recreation and Parks Posada, Police Commander Ritz, and Chief Deputy City Clerk Perez.

ANNOUNCEMENTS
Acting Fire Chief Jones reported on the condition of the City due to the recent storms. He indicated that total anticipated rainfall for the area over the week of storms was eight inches. With regard to Santa Maria, the largest challenge had been the power outage, especially in the 911 Police Dispatch Center. It required transfer of the dispatch service to the County which worked very well. The Fire Department had about 40 storm-related calls for service on Monday, and the Recreation and Parks Department had quite a few trees down. Streets and Facilities fared relatively well with minor flooding. County Flood Control started their flood patrols at the Santa Maria River today. They were pleased with the outcome of all the work that had been done in the Santa Maria River bed.

Councilmember Zacarías talked about how the power outage affected some of the assisted living facilities in the City and the need for better disaster preparedness at those locations. She thanked the Fire Department for responding.

Mayor Lavagnino commended the Park Service worker who was at the Levee today and helped a homeless person get to a safer location.

VOLUNTEER OF THE MONTH
Councilmember Cordero presented a Certificate of Appreciation to Vera Williams Walker, the Recreation and Parks Volunteer of the Month for January 2010, for her dedication of time and effort as a volunteer receptionist at the Elwin Mussell Senior Center.

PROCLAMATION – RESPECT FOR LIFE WEEK
Councilmember Patino read a proclamation declaring the week of January 17 through 23, 2010, as "Respect For Life Week" in the City of Santa Maria. The proclamation was accepted by Jan Rush.

PUBLIC COMMENT
Paula James spoke about comments made by Richard Quandt, President of the Shippers and Growers Association, on the Andy Caldwell Show. Mr. Quandt stated the E-verify program was a pilot program, and there were errors in the program. He still used the I-9 form. She talked about the ease and accuracy of the E-verify program

which had a 99-percent accuracy rate. She requested that the City Council adopt a resolution requiring employers to sign up and use the E-verify program.

Barbara Gregory also requested that the City Council adopt a resolution urging existing businesses and requiring all new businesses to use E-verify.

Mickey Freeman stated she also spoke to Mr. Quandt, and he was not interested in using the E-verify program. Illegal immigration needed to be addressed by all.

CONSENT CALENDAR
Councilmember Zacarías requested Item 3G be pulled for comment.

Item 3G – Federal Stimulus Concrete Improvement Project #3.
Councilmember Zacarías stated it had become the Council's practice to announce to the public when a local contractor was awarded a bid for Federal Stimulus money. She congratulated V. Lopez & Sons, a local contractor, who was being awarded this bid.

Consent Calendar Items A through H were approved on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of January 5, 2010, were approved as submitted.

C. VOLUNTARY TIME OFF PROGRAM
Resolution No. 2010-06 was adopted to extend the designated period of economic hardship through December 31, 2010, and authorized the City Manager to continue implementation of the Voluntary Time Off (VTO) program.

Resolution No. 2010-06 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, EXTENDING THE DESIGNATED PERIOD OF ECONOMIC HARDSHIP AND VOLUNTARY TIME OFF (VTO) PROGRAM THROUGH CALENDAR YEAR 2010.

D. ENERGY WATCH PARTNERSHIP PROGRAM
Resolution No. 2010-07 was adopted establishing an Energy Watch Partnership with Pacific Gas and Electric.

Resolution No. 2010-07 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA AUTHORIZING PARTICIPATION IN THE SANTA BARBARA COUNTY ENERGY WATCH PROGRAM.

E. WARRANTS
Warrant Nos. 156007 to 156264 totaling $1,236,162.25 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Acting Director of Administrative Services. Warrant Nos. 150303 and 155981 were cancelled.

F. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative

Services and having been approved for payment by the Acting Director of Administrative Services.

G. AWARD OF BID

Resolution No. 2010-08 was adopted awarding the bid and approving a contract for the Federal Stimulus Concrete Improvement Project #3 – Taylor, Sunrise and San Ysidro, Bid No. 2010/09, to V. Lopez, Jr. & Sons General Engineering, Inc., in the amount of $185,675.40.

Resolution No. 2010-08 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH V. LOPEZ, JR. & SONS GENERAL ENGINEERING, INC. FOR FEDERAL STIMULUS CONCRETE IMPROVEMENT PROJECT #3, BID NO. 2010/09.

H. INTENT TO ANNEX

Resolution No. 2010-09 was adopted expressing the Council's intent to annex Taco Bell and Crop Production Service Building into the Northwest Landscape and Lighting District; Anita's Spirit Gas Station, Windset Farms, and Betteravia Business Park into the Southwest Landscape and Lighting District; and Circle K and Donovan Restaurant and Auto Repair into the Northeast Landscape and Lighting District.

Resolution No. 2010-09 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, INITIATING PROCEEDINGS AND DECLARING THE INTENTION TO ANNEX TERRITORY TO ASSESSMENT DISTRICTS PURSUANT TO THE "LANDSCAPE AND LIGHTING ACT OF 1972" (TACO BELL, CROP PRODUCTION SERVICE BUILDING, ANITA'S SPIRIT GAS STATION, WINDSET FARMS, BETTERAVIA BUSINESS PARK, CIRCLE K AND DONOVAN RESTAURANT AND AUTO REPAIR).

ANNUAL APPOINTMENTS TO COMMITTEES AND BOARDS

Chief Deputy City Clerk Perez gave the staff report. The Council is being asked to make annual appointments to various City Committees and Boards and to appoint an alternate representative from the Council to the Air Pollution Control District Board of Directors. Appointments are needed on the All-America City Committee, the Code Compliance Board, the Landmark Committee, and the Santa Maria Community Television Board of Directors.

<u>All-America City Committee</u>

There are five vacancies on the All-America City Committee. The applicants must represent the Business, Ethnic, Government, and Non-Profit segments of the community. Four of the five incumbents reapplied for another term. In addition, three other applications were received. Each Councilmember will have an opportunity to nominate one of the applicants. Applications were received from:

Lia Chait – Community Education or Ethnic
Bailey Hudson – Non-profit
Ricky Lara – Ethnic
Timothy Larson - Business
Tahir Massod – Non-profit
Bob Orach – Government
Mario San Bartolome – Community Education or Ethnic

The following nominations were made:

Bailey Hudson was nominated by Councilmember Patino.
Ricky Lara was nominated by Mayor Lavagnino.
Tahir Massod was nominated by Councilmember Orach.
Bob Orach was nominated by Councilmember Zacarías.

Councilmember Cordero requested that his nomination for a Business representative be postponed and that staff readvertise that vacancy.

On motion by Councilmember Orach, seconded by Councilmember Patino, and carried unanimously, the nominations were confirmed and staff was directed to readvertise.

Code Compliance Board
The Code Compliance Board currently has two vacancies. Both incumbents, Ronald Ferrari and Jack Owen, Jr., reapplied. No other applications were received. Nominations will be made by Councilmember Patino and Councilmember Zacarías.

Ronald Ferrari was nominated by Councilmember Patino.
Jack Owen, Jr. was nominated by Councilmember Zacarías.

On motion by Councilmember Patino, seconded by Councilmember Zacarías, and carried unanimously, the nominations were confirmed.

Landmark Committee
There are currently two vacancies on the Landmark Committee; however, only one application was received from incumbent JoAnn Wilson.

On motion by Mayor Lavagnino, seconded by Councilmember Patino, and carried unanimously, JoAnn Wilson was appointed to another term, and staff was directed to readvertise the second vacancy.

Santa Maria Community Television Board of Directors
Two appointments are necessary for the Santa Maria Community Television Board of Directors. Incumbents David Cross and Robert Morrison were the only applicants.

Mayor Lavagnino appointed David Cross and Robert Morrison to another term. On motion by Councilmember Orach, seconded by Councilmember Cordero, and carried unanimously, the two appointments were confirmed.

Air Pollution Control District
The Air Pollution Control District has requested that the City Council appoint an alternate to this important regional board. Currently, Mayor Lavagnino is the City's representative on the Board.

Mayor Lavagnino nominated Councilmember Cordero to serve as his alternate. On motion by Mayor Lavagnino, seconded by Councilmember Orach, and carried unanimously, Councilmember Cordero was appointed as the alternate Board member to the Air Pollution Control District Board.

PRESENTATION ON 2010 STATEWIDE BALLOT INITIATIVE
Dave Mullinax, League of California Cities, gave a presentation on the proposed November 2010 Statewide Ballot Initiative to protect local government revenues. As Council is aware, the State of California has raided or borrowed billions of dollars from local government, transit and transportation funds in recent years. The estimated loss of property tax revenue to the City of Santa Maria, dating back to the mid 1990's, is more than $25 million alone. Consequently, this fiscally irresponsible practice of borrowing local taxpayer and transportation funds places enormous pressure on cities, counties, and special districts to maintain essential public services. Last year, as part of the 2009-10 budget package to reduce the State's $26.3 billion deficit, the Governor authorized the borrowing of $1.9 billion from local governments and approved the repayment of this loan, with interest, by June 30, 2013. This was the Proposition 1A suspension. Also last year, the State seized $2 billion in redevelopment agency funds, took $697 million of transit funds, reduced COPS funding, and delayed repayment of reimbursement payments and gas tax revenues.

It is estimated that in the next 18 months, the State will face a $21 billion budget deficit, and it is anticipated that legislators will once again seek to divert local tax revenues from cities to finance the State budget, as well as develop other funding schemes that will result in a direct reduction of vital local services to communities across California. Cities across the state are uniting to make a stand against this scenario, and the League of

California Cities is leading the charge by pursuing a statewide initiative to protect local revenues.

In another effort to protect local government revenues from future State raids, the League of California Cities has officially launched its signature-gathering campaign for the "Local Taxpayer, Public Safety and Transportation Protection Act" proposed for the November 2010 General Election. The California Alliance for Jobs and the California Transit Association also formally voted to proceed with signature collection. More than one million signatures must be gathered by the April 16th deadline.

The Local Taxpayer, Public Safety and Transportation Protection Act is a proposed State Constitutional Amendment which will prohibit the State from shifting, taking, or borrowing revenues dedicated by law to fund local government services, community redevelopment projects, or transportation projects and services. It would prohibit the State from delaying the distribution of tax revenues for these purposes even when the Governor deems it necessary due to a severe State fiscal hardship. As a result, local governments would be able to depend on more stable local resources, potentially billions of dollars in some years.

Back in 2004, the League of California Cities achieved success through a similar campaign when it passed Proposition 1A on the November 2004 ballot. Proposition 1A, approved by voters, was to prevent the Legislature from raiding local government funds and restore predictability and certainty to local funding. However, there were some provisions in Proposition 1A that allowed the State to borrow from local governments, and this new measure is designed to close any loopholes that Proposition 1A created and change the State Constitution to further prevent the Legislature from seizing tax revenues dedicated to funding local government services.

The League of California Cities is requesting that the City Council adopt a resolution supporting the proposed ballot measure and join other cities, counties, and special districts in gathering signatures to qualify the measure for the November 2010 ballot.

Resolution No. 2010-10 was adopted supporting the Local Taxpayer, Public Safety and Transportation Protection Act of 2010 on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010-10 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AFFIRMING SUPPORT OF THE LEAGUE OF CALIFORNIA CITIES' PROPOSED NOVEMBER 2010 BALLOT INITIATIVE.

PRESENTATION ON CALIFORNIA STATEWIDE LOCAL STREETS AND ROADS ASSESSMENT

Director of Public Works/City Engineer Whitehead gave the staff report. California's transportation systems provide basic infrastructure to support many vital aspects of human life. Governments dedicate significant financial resources for improving and maintaining these roadway networks. The transportation funding mechanisms in place today include State and Federal Gas Tax, State sales tax, local sales tax measures (Measures D and A), property tax receipts, vehicle license fees, State and municipal bonds, and other Federal grant programs. In California, the State Gas Tax funding is administered through the Highway Users Tax Account (HUTA). The revenues from the $0.18 per gallon State Gas Tax are distributed to Caltrans, counties, and cities in a variety of ways identified in the Streets and Highways Code. For Santa Maria, State Gas Tax receipts are estimated to be about $1.6 million in fiscal year 2009-10. With the enactment of Proposition 42 in 2002, California also transfers most sales tax revenues from gasoline sales from the general fund to the transportation fund. For Santa Maria, in fiscal year 2009-10, this funding is estimated at approximately $900,000. Unfortunately, Proposition 42 allows the

State to suspend this transfer during times of economic crisis, and there is no provision for the State to pay this money back.

There is also a Federal Gas Tax administered through the Highway Trust Fund. Revenues from the $0.184 per gallon gas tax (and the $0.244 per gallon diesel tax) are distributed to states for highways and transit projects. Also, here in Santa Barbara County, voters passed Measure D in 1988 and Measure A in 2008. These one-half cent sales tax override ballot initiatives provide transportation funding for local streets and roads, and regional projects. In the City of Santa Maria, these measures provide funding for our street maintenance activities. However, these existing funding mechanisms do not provide adequate financial support for all of the transportation needs in California. Many transportation professionals believe that changes in our society will require either a substantial increase in the Gas Tax, or new transportation funding mechanisms to replace the Gas Tax in the near future.

When the State of California has experienced budget shortfalls, the Governor and Legislature have identified State Gas Tax and Proposition 42 sales tax revenues as opportunities to solve the State's budget crises. Proposition 1A was passed in 2004 to amend the State Constitution to limit the conditions under which the Proposition 42 sales tax funds can be taken from local governments. In the Spring of 2009, the State proposed taking both the State Gas Tax and the Proposition 42 sales tax funds from local governments but retracted the threat as a result of negative reaction from local governments.

The League of California Cities (LOCC) commissioned Nichols Consulting Engineers to survey all of California's 58 counties and 478 cities in 2007-08 and prepare a study of the condition of their street systems. The study captured data from more than 93 percent of the state's local streets and roads. The data is considered extremely accurate because a majority of the jurisdictions surveyed utilize recognized pavement management systems. Pavement life is measured by a Pavement Condition Index (PCI). On a scale of zero (failed) to 100 (excellent), the statewide average PCI is 68, while Santa Maria's is about 80. This rating indicates that the statewide condition is in the "at risk" category. If current funding remains unchanged, the PCI is projected to deteriorate to 58 in 10 years, and further to 48 ("poor" category) by 2033. The backlog of unfunded street repair will more than double from $37 billion to $79 billion by 2033. Therefore, the recommendation of the LOCC study is to invest available transportation funding dollars in preventive maintenance. The study concludes that maintenance of our roads utilizing Best Management Practices (BMPs) is the most cost-effective and efficient way to spend the taxpayer's money.

This strategy can only be successful if adequate funding is available. That is why it is so important to make sure that Gas Tax (HUTA) funding continues to flow to California's cities and counties. Local jurisdictions cannot afford to lose any existing funding. In fact, the study concludes that approximately $51.7 billion of additional funding is needed now to bring the pavement condition of the state's local streets and roads to a level where the taxpayer's money can be spent cost-effectively. Then, once the BMP condition is reached, it will cost approximately $1.8 billion a year to maintain them at that condition. Additionally, statewide funding is needed for transportation network essential components, such as curb ramps, gutters, sidewalks, storm drains, street lights, and signals. The study estimates that California needs an additional $19.7 billion for these components. In total, California needs an additional $71.4 billion over the next ten years to provide a transportation system of local streets and roads that can be maintained cost-effectively.

Councilmember Patino asked if there were different categories for maintenance of City streets. She also asked if Highways 166 and 135 were part of the City's Pavement Management System.

Director Whitehead explained that the City's Pavement Management System identified what maintenance was needed on what streets, and then City staff also went out and investigated those streets. He indicated that Main Street and Broadway were State Highways and not part of the City's Pavement Management System.

Resolution No. 2010-11 was adopted supporting the findings in the Needs Assessment on motion by Councilmember Orach, seconded by Councilmember Cordero, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, SUPPORTING THE FINDINGS OF THE CALIFORNIA STATEWIDE LOCAL STREETS AND ROADS NEEDS ASSESSMENT.

CITY MANAGER'S REPORT

City Manager Ness reported on anticipated items for the February 2, 2010, City Council meeting including public hearings for the Rice Depot Mercado General Plan Amendment and Zone Change and La Vigna Tentative Tract Map, as well as the Quarterly Financial Report for the second quarter and the introduction of the new Administrative Services Director. He reminded the Council that the Gang Injunction Townhall Meeting would be this Thursday at the Veterans Cultural Center at 6:30 p.m.

ORAL REPORTS BY COUNCILMEMBERS

Councilmember Orach reported that he was on the Ad-Hoc Committee interview panel for selecting an alternate to LAFCO, attended Ken White's Retirement Party and the Santa Maria Valley Business Development Committee meeting.

Councilmember Zacarías reported she would be participating in the volunteer tax preparation program again this year, met with Congresswoman Lois Capps, attended the new Transit Center Groundbreaking, the retirement party for Al Torres, a Martin Luther King Food Drive in Arroyo Grande, the awards presentation for Catholic Healthcare West Grant Awards, and a memorial service for Helen Langstaff.

Mayor Lavagnino reported that during the last two weeks he met with Congresswoman Lois Capps, attended the Transit Center Groundbreaking ceremony, participated in a Public Service Announcement with Assemblyman Sam Blakeslee, attended the Mayor's luncheon in Lompoc, a special CCWA meeting in Buellton, an information workshop regarding the levee at Shepard Hall, a fundraiser at the Discovery Museum, Valley Speaks with Joni Gray at Shepard Hall, Ed Murray's retirement, and testified at the Board of Supervisors meeting in Santa Barbara to discuss CCWA.

Councilmember Patino reported she cooked dinner at the Good Samaritan Shelter, attended the Transit Center Groundbreaking, the Fighting Back Santa Maria Valley Board Meeting, the Levee Workshop at Shepard Hall, the BRAG Martin Luther King Celebration, and the Santa Maria Valley Business Development Committee meeting.

Councilmember Cordero reported he attended the Transit Center Groundbreaking, participated in a Public Service Announcement for Gang Prevention, a Future Search Meeting at Supervisor Centeno's office, a Bringing Your Community Home meeting, a United Way meeting, Al Torres's Retirement Party, and the BRAG Martin Luther King Celebration.

CLOSED SESSION

The City Council recessed to a Closed Session at 7:40 p.m. to discuss Conference with Legal Counsel - regarding Existing Litigation pursuant to Subsection (a) of Government Code Section 54956.9 for Santa Maria Police Officers Association v. City of Santa Maria, Case No. 1318327, Santa Maria Police Officers Association v. City of Santa Maria, Case No. 1316392, and Conference with Legal Counsel - regarding Existing Litigation pursuant to Subsection (a) of Government Code Section 54956.9 for Jose Betancourt v. City of Santa Maria, Case No. 1273966.

After the Closed Session, the following report was given:

Conference with Legal Counsel – Santa Maria Police Officers Association v. City of Santa Maria (Case No. 1318327) – A status report was given.

Conference with Legal Counsel – Santa Maria Police Officers Association v. City of Santa Maria (Case No. 1316392) – A status report was given.

Conference with Legal Counsel – Jose Betancourt v. City of Santa Maria (Case No. 1273966) – Direction to staff was given.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 8:12 p.m. by Councilmember Zacarías, with Mayor Lavagnino's consent, in honor of Helen Langstaff.

APPROVED

February 2, 2010
Date

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

ATTEST

Chief Deputy City Clerk

Mayor of the City of Santa Maria